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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 22, 2002

APPLICATION OF

DELMARVA POWER & LIGHT COMPANY

CASE NO. PUE-2002-00001

For a change in its rates  
for electricity purchased from  
qualifying Cogenerators and  
Small Power Producers under  
Service Classification "X"

ORDER ESTABLISHING COGENERATION TARIFF

On December 28, 2001, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery ("Delmarva" or the "Company"), filed with the Commission an application, written testimony, and exhibits to support its proposal to change its Cogeneration and Small Power Production Rates under Service Classification "X". Delmarva further proposes that the rates, terms and conditions approved by the Commission in this case be effective with the billing month of May 2002. On February 26, 2002, the Commission issued an Order establishing this proceeding, appointing a Hearing Examiner, setting a procedural schedule, and permitting Delmarva's proposed changes to its tariff to become effective on an interim basis with the billing month of May 2002.

There were no requests for hearing in this matter. On April 12, 2002, the Staff filed its testimony, and the Company filed no rebuttal testimony.

On June 6, 2002, the Hearing Examiner issued his Report.

His findings were as follows:

- (1) The Company's proposed avoided energy and capacity costs are reasonable and should be adopted;
- (2) In its next case, the Company should use more transparent data for developing forward prices;
- (3) In its next case, the Company should obtain market price data from sources listed in the Commission's Final Order in Case No. PUE-2001-00306;
- (4) In its next case, the Company should adjust its market price information to reflect theoretical energy production taking place in the Company's Virginia service territory;
- (5) A monthly customer charge of \$3.84 is reasonable for this case and should be approved;
- (6) In its next case, the Company should evaluate whether better methodologies exist for determining a QF customer charge; and
- (7) The Company's proposed monthly meter O&M rates and monthly meter equipment rates are reasonable and should be approved.

He recommended that the Commission enter an order adopting the above findings, approving Delmarva Power & Light Company's proposed Service Classification "X" rates; and dismissing this case from the Commission's docket of active cases.

NOW THE COMMISSION, having considered the Company's application, the Staff's testimony, and the Hearing Examiner's Report, finds that we should adopt the findings and recommendations of the Hearing Examiner.

Accordingly, IT IS ORDERED THAT:

(1) The Findings and Recommendations of the June 6, 2002, Hearing Examiner's Report are hereby adopted.

(2) Since there is nothing further to come before the Commission, this case is hereby dismissed and the papers herein placed in the Commission's file for ended causes.